

RECORD OF DECISION

TITLE: Reserves Strategy 2021/22 – 2024/25

Ref: PCC/D/2021/14

EXECUTIVE SUMMARY

The Reserves Strategy provides information on the estimated levels of reserves currently held and explains how some of these will be applied over the next three years to ensure the PCC and Chief Constable meet statutory responsibilities, manage critical risks and contribute towards key strategic initiatives.

In the written statement that accompanied the Provisional Police Grant report on 19th December 2017, the Minister stated “You may be aware that police reserves currently stand at around £1.6bn, which compares to £1.4bn in 2011. We will be changing guidance to PCCs to ensure that police officers and the public have access to more detailed information on how PCCs intend to use this public money”. The Home Office published detailed guidance on 31st January 2018. This report complies with the Ministerial requirement.

The first reserves strategy (for 2018/19) was approved in September 2018. This has been updated and amended annually to reflect current challenges. The 2021/22 reserves strategy was set out in the 2021/22 budget report and Medium Term Financial Plan. This has now been updated to reflect the 2020/21 provisional outturn. The actual and forecast position on reserves is reported monthly to the PCC. The reserves strategy is attached and will be published on the Police and Crime Commissioner’s website.

PROPOSAL

To approve the Reserves Strategy, the establishment and the deployment of reserves set out therein.

**APPROVAL OF
West Mercia Police and Crime Commissioner**

I hereby approve the above proposal.

Signed



PART 1 – NON-CONFIDENTIAL/EXEMPT FACTS AND FIGURES

SUPPORTING REPORT

The Reserves Strategy was originally set out in the 2021/22 Budget Report and Medium Term Financial Plan. The Police and Crime Commissioner considered this report when approving the 2021/22 precept on 10th February 2021. The Reserves Strategy makes provision for the significant risks facing the Police and Crime Commissioner and the West Mercia Police Force. These include

- The establishment of new governance arrangements with the Fire and Rescue Services in West Mercia
- The modernisation of the ICT and Estate Infrastructure
- The major investigation into allegations of corporate manslaughter at an NHS Trust
- Non recurring reductions in the yield from Council Tax as a result of the economic impact of Covid19
- The management of insurance claims and legal costs

The Reserves Strategy has been reviewed and amended to reflect the 2020/21 provisional outturn.

STRATEGIC CONSIDERATIONS

This decision supports the following element(s) of the Safer West Mercia Plan:

- Putting Victims and Survivors First
- Building a More Secure West Mercia
- Reforming West Mercia
- Reassuring West Mercia's Communities

The decision supports this/ these objective(s) through the following:

- Provision of funds to support the major investigation into allegations of corporate manslaughter into an NHS Trust ensuring that victims and their families are supported
- Financial support for the modernisation of the ICT and Estates infrastructure reforming policing in West Mercia
- Funding non-recurring crime prevention programmes in West Mercia to build a more secure West Mercia and reassure our communities
- Support Road Safety initiatives to build a more secure and safe West Mercia and to reassure our communities

FINANCIAL COMMENTS

It is estimated that the Police and Crime Commissioner of West Mercia will hold reserves of £14.661m as at 1 April 2021. These will include a General Reserve of £7.351m, Earmarked Reserves of £7.310m and Capital Reserves of £0.000m. The reserves strategy sets out the plans to deploy £3.930m of these reserves over the next three years (2021/22, 2022/23 and 2023/24).

TREASURER COMMENTS

In the 2021/22 Budget Report a review of the financial risks was undertaken. This is included in the Reserves Strategy 2021/22 – 2024/25. Following this review it was recommended that the minimum level of General reserve should be set at £6 975m. Coincidentally this is approximately 3% of the net revenue budget, in line with best practice.

Provided that this sum is available at all times within reserves, I am satisfied that this budget is soundly based and adequately provides for the risks facing the Commissioner.

LEGAL CONSIDERATIONS

By virtue of schedule 11, paragraph 14 of the Police Reform and Social Responsibility Act 2011 the Police and Crime Commissioner may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner. That includes: entering into contracts and other agreements (whether legally binding or not) and acquiring and disposing of property (including land).

PUBLIC ACCESS TO INFORMATION

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the West Mercia Commissioner's website. Any facts and advice that should not be made automatically available on request are not included in Part 1 but instead in a separate Part 2 report.

OFFICER APPROVAL

Chief Executive Officer

Signature 

Date 21st April 2021